

Message Text

CONFIDENTIAL

PAGE 01 BOGOTA 08168 271625Z

44

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-02 PA-01 PRS-01 /085 W

----- 101498

R 271534Z AUG 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 448

C O N F I D E N T I A L BOGOTA 8168

EO 11652: GDS

TAGS: EFIN CO

SUBJ: GOC POLICY ON FOREIGN BANKS

REF: BOGOTA 7872

1. SUMMARY: FINANCE MIN, BOTERO, HAS TOLD NATIONAL CITY BANK REPS THAT HE WOULD NOT BE SATISFIED WITH ANYTHING OTHER THAN MAJORITY COLOMBIAN EQUITY IN THE BANK. IN THE MEANTIME BANKING SUPERINTENDENT MADRINAN CALLED IN FOREIGN-OWNED INSURANCE COMPANIES AND TOLD THEM THAT GOC EXPECTS THEM ALSO TO SELL-DOWN TO MINORITY POSITIONS. END SUMMARY.

2. NATIONAL CITY REPS, VICE-PRESIDENTS BOTJER AND VALELLY OBTAINED INTERVIEW WITH FINANCE MIN BOTERO, MENTIONED PARA 3 REFTEL. VALELLY TOLD US THAT HE HAD REQUESTED PRIVATE MEETING WITH MIN BOTERO BUT INSTEAD HAD FOUND HIMSELF FACED BY PHALANX OF GOVERNMENT OFFICIALS. IN ESSENCE, BOTERO TOLD VALELLY THAT HE WAS NOT INTERESTED IN ANY ALTERNATIVES TO A SELL-DOWN AND THAT GOC WOULD BE SATISFIED ONLY BY MAJORITY COLOMBIAN EQUITY IN THE BANK.

3. VALELLY SAID HE WAS HIGHLY DISAPPOINTED WITH RESULTS OF THE INTERVIEW AND THAT NATIONAL CITY WAS NOW IN A DIFFICULT POSITION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BOGOTA 08168 271625Z

THE BANK COULD NOT COMPLY WITH THE GOC POLICY BECAUSE IT HAD

COMMITMENTS IN OTHER COUNTRIES THAT WOULD REQUIRE IT TO SELL-DOWN TO A MINORITY POSITION IF IT DID SO IN COLOMBIA. HE, THEREFORE, THOUGHT THAT NATIONAL CITY WOULD SIMPLY AWAIT THE LEGISLATION HE EXPECTED THE GOC TO INTRODUCE IN THE CONGRESS TO FORCE COMPLIANCE WITH THE SELL-DOWN POLICY. THE TWO SIDES AGREED TO MEET AGAIN ON SEPT 2 BUT NATIONAL CITY BANK HAS NOW ASKED FOR A POSTPONMENT TO SEPT 9.

4. IN MEANTIME, WE UNDERSTAND THAT BANKING SUPERINTENDENT MADRINAN HAS INFORMED THE FOREIGN-OWNED INSURANCE COMPANIES ORALLY THAT THE GOC ALSO EXPECTS THEM TO SELL-DOWN TO A MINORITY POSITION WITHIN THREE YEARS. HE HAS ASKED THE COMPANIES TO PRESENT PLANS FOR CONFORMING TO THIS POLICY. ALTHOUGH NO DEADLINES WERE ESTABLISHED, MADRINAN INDICATED THAT HE EXPECTED TO HEAR FROM THE INSURANCE COMPANIES WITHIN THE NEXT FEW WEEKS.

4. THE INSURANCE COMPANY REPS THAT WE HAVE TALKED TO SO FAR ACCEPTED THE GOC MOVE CALMLY. IT WAS NOT UNEXPECTED AND IT APPEARS THAT MOST, IF NOT ALL, OF THE COMPANIES WILL CONFORM TO THE GOVERNMENT'S WISHES. IN THE BANKING SECTOR, HOWEVER, NEITHER NATIONAL CITY NOR THE GOC SHOW ANY WILLINGNESS TO RECEDE FROM THEIR POSITIONS. THE POSSIBLE CONFRONTATION AND ITS IMPLICATIONS THAT WE HAVE DISCUSSED IN EARLIER MESSAGES NOW SEEM MORE PROBABLE THAN EVER.
VAKY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, FOREIGN INVESTMENTS, BANKS, BANK NATIONALIZATION
Control Number: n/a
Copy: SINGLE
Draft Date: 27 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BOGOTA08168
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750297-0020
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750811/aaaaaixm.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BOGOTA 7872
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by ShawDG>; APPROVED <17 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOC POLICY ON FOREIGN BANKS
TAGS: EFIN, CO, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006